HEALTH INSURANCE REFORM/More Medicare Fraud Provisions

SUBJECT: Health Insurance Reform Act of 1996 . . . S. 1028. Kennedy motion to table the Harkin/Baucus amendment No. 3683.

ACTION: MOTION TO TABLE AGREED TO, 62-36

SYNOPSIS: As reported with an amendment in the nature of a substitute, S. 1028, the Health Insurance Reform Act of 1996, will make health insurance more accessible, portable, and renewable.

The Harkin amendment would enact provisions intended to reduce Medicare waste, fraud, and abuse, as follows:

- beneficiaries would have a right to receive itemized bills for services they received;
- rewards would be given for providing information that led to a fraud conviction;
- Medicare payments for certain wasteful and unnecessary items would be prohibited;
- private companies that administer Medicare would be given the authority to reduce payment for items they thought were grossly overpriced;
- a fine would be established for knowingly providing a false certification that a patient met Medicare home health coverage criteria;
 - bills for surgical dressings would be itemized;
- Medicare would be required to replace its outdated computer systems with state-of-the-art private sector computer software to detect and stop billing abuse; and
 - a uniform application and benefit claims form would be developed.

Debate was limited by unanimous consent. Following debate, Senator Kennedy moved to table the Harkin amendment. Generally, those favoring the motion to table opposed the amendment; those opposing the motion to table favored the amendment.

Those favoring the motion to table contended:

(See other side)

YEAS (62)			NAYS (36)			NOT VOTING (2)	
	Republicans Democrats		Republicans			Republicans Democrats	
(49 or 96%) (13 or		(13 or 28%)	(2 or 4%)			(2)	(0)
Abraham Ashcroft Bennett Bond Brown Burns Chafee Coats Cochran Cohen Coverdell Craig D'Amato DeWine Domenici Faircloth Frist Gorton Gramm Grams Gregg Hatch Hatfield	Helms Hutchison Inhofe Kassebaum Kempthorne Kyl Lott Lugar McCain McConnell Murkowski Nickles Pressler Roth Santorum Shelby Simpson Smith Snowe Specter Stevens Thomas Thompson Thurmond Warner	Breaux Bryan Daschle Dodd Ford Johnston Kennedy Kerrey Kohl Moynihan Nunn Reid Robb	Grassley Jeffords	Akaka Baucus Biden Bingaman Boxer Bradley Bumpers Byrd Conrad Dorgan Exon Feingold Feinstein Glenn Graham Harkin Heflin	Hollings Inouye Kerry Lautenberg Leahy Levin Lieberman Mikulski Moseley-Braun Murray Pell Pryor Rockefeller Sarbanes Simon Wellstone Wyden	EXPLANAT 1—Official I 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	nced Yea nced Nay Yea

VOTE NO. 76 APRIL 18, 1996

The fraud and abuse provisions which were adopted in the Dole/Roth amendment were truly non-controversial. They were developed over several years by Senator Cohen with the participation of Congress, the Administration, consumer groups, Health and Human Services, and medical care providers. Last year, they passed both the House and Senate and were part of the reconciliation bill, plus they were included in the Administration's budget reconciliation package. The support for the Medicare fraud provisions which the Senate has just agreed to on this bill is universal.

The same cannot be said for the proposals that are in the Harkin amendment. We will not argue the merits of those proposals. The important point is that they have not been thoroughly vetted. In the end, they may prove to have broad support, but they do not have that support now. We know, for instance, that the Health Care Finance Administration (HCFA) of the Department of Health and Human Services strongly objects to the section that will require HCFA to buy commercial software. Again, we are neither siding with HCFA nor the proponents of the Harkin amendment on this software proposal, nor are we taking any position on any other part of the amendment. Instead, we are simply opposing it because its effect is uncertain and because we do not want to load down this bill with controversial items.

Those opposing the motion to table contended:

The General Accounting Office estimates that 10 percent of Medicare costs, \$18 billion, are due to waste, fraud, and abuse. No one disputes that estimate, and everyone agrees that steps should be taken to reduce the amount lost each year. The Dole-Roth amendment which the Senate just adopted contained provisions advanced by Senator Cohen which will help in that regard. However, much more still needs to be done. The Cohen provisions only took the first step. The Harkin amendment would take the next step.

Our colleagues are familiar with the proposals in the Harkin amendment. They have all been recommended by the General Accounting Office, the Department of Health and Human Services Inspector General, or by private sector medical experts, and they have all been extensively reviewed by the Labor Committee. Unlike previous amendments offered by the Senator from Iowa on this subject, this particular amendment does not contain a requirement for competitive bidding, because that requirement is controversial. We understand that Senators only wish to consider non-controversial amendments to this particular bill, so we deliberately selected only those reforms which we believe have very broad support. We hope our colleagues agree, and will join us in opposing the motion to table the Harkin amendment.